

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MAKING DETERMINATIONS**

**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS  
SERVICE REVIEW  
NAPA SANITATION DISTRICT**

**WHEREAS**, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

**WHEREAS**, the Commission adopted a schedule for service reviews on October 11, 2001; and

**WHEREAS**, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public sewer service in Napa County, which includes territory served by the Napa Sanitation District; and

**WHEREAS**, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Sanitation/Wastewater Treatment Providers”, including the review of the Napa Sanitation District’s sewer services, on October 3, 2005; and

**WHEREAS**, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public meeting on October 3, 2005 and at meetings of the Commission on February 6, 2006 and April 3, 2006; and

**WHEREAS**, as part of this service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:



**COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS  
SERVICE REVIEW  
NAPA SANITATION DISTRICT**

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines that this service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The service review is a data collection and research study. The information contained within the service review may be used to consider future actions that will be subject to environmental review.
2. The Commission adopts the statement of determinations set forth in "Exhibit A" which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 3<sup>rd</sup> day of April, 2006, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: \_\_\_\_\_



## **EXHIBIT A**

### **COMPREHENSIVE STUDY OF SANITATION/WASTEWATER TREATMENT PROVIDERS SERVICE REVIEW NAPA SANITATION DISTRICT**

#### **STATEMENT OF DETERMINATIONS**

1. With respect to general policies [Government Code §56430], the Commission determines that:
  - a) Determinations adopted by the Commission as part of the *Comprehensive Water Service Study* regarding Napa Sanitation District's reclaimed water service operations remain valid and appropriate. The District continues to plan and pursue opportunities to expand its reclaimed water service operations in a manner that is consistent with the Commission's goals and objectives.
2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
  - a) The Napa Sanitation District sewer service operations are guided by a master facilities plan. This plan, which informs a capital improvement program, provides District staff with an appropriate guide to maintain and upgrade the sewer system to meet current and planned system demands. The District is in the process of updating this plan. A draft of the updated plan is anticipated to be released in 2006.
  - b) The Napa Sanitation District's sewer service infrastructure is in good working order and conforms to its master facilities plan.
  - c) The Napa Sanitation District has planned and developed adequate sewer collection and treatment facilities to meet the needs of current and future constituents within the timeframe of this review.
3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
  - a) The Napa Sanitation District is under the land use authority of the County of Napa and the City of Napa. The District's master facilities plan projects service demands based on the general plans of both land use authorities. District staff monitors land use development proposals submitted to both agencies to ensure that its sewer system can meet the demands of contemplated projects.



- b) Population per household projections issued by the California Department of Finance for Napa County are appropriate indicators to calculate the resident service population of the Napa Sanitation District. Making use of these projections, the estimated resident service population within the District is 78,529.
4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
- a) Sewer service operations for the Napa Sanitation District are predominately funded by user fees. As a result, it is necessary for the District to continually monitor the cost of its sewer service operations to ensure that user fees cover these costs.
  - b) In the fiscal year evaluated (FY04-05), expenses for the Napa Sanitation District were in excess of its revenue. The District has made a concerted effort to examine its financial situation to rectify its cost-to-income relationship to avoid future shortfalls.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
- a) The Napa Sanitation District has made a concerted effort to make preventative maintenance an emphasis of its sewer service operations. As part of this effort, the District evaluates and cleans (as necessary) all sewer lines every two years.
  - b) The Napa Sanitation District administers a Fats, Oil, and Grease Program to reduce the amount of these substances entering into its collection system. Businesses are encouraged to hold these substances for special collection. This program helps to reduce overall operating costs of the District, resulting in a savings for the District its constituents.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
- a) As revenues increase from its reclaimed water service operations, the Napa Sanitation District should identify appropriate reinvestment opportunities to its sewer operations. In this way, the District will recognize the funding contribution of its constituents to the reclaimed water system.



7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
  - a) As Napa County's largest wastewater treatment provider, the Napa Sanitation District is in a position to offer advice and assistance to other providers in the community. In addition, the District's greater economies of scale may allow it to serve as contract operator of some of the smaller treatment facilities in the County. LAFCO encourages dialogue between the District and these smaller providers.
  - b) The Napa Sanitation District participates in cost-sharing agreements with the City of Napa and the County of Napa, including provisions for the pooling of equipment and supplies for operation. This relationship provides the mechanism for the District to share operational costs with these agencies in a manner that enhances regional service coordination.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
  - a) The Napa Sanitation District is the only public agency providing sewer service within its jurisdictional boundary. The City of Napa, whose jurisdiction overlaps that of the District, is authorized as a charter-law city to provide sewer service. In 1945, rather than choosing to provide this service, the City elected to participate with the County in the formation of the District. This arrangement remains in effect today and is anticipated to continue.
  - b) Alternative governance structures have been considered for the Napa Sanitation District on many occasions by various entities. These alternatives have ranged from a fully independent district with a directly-elected board of directors to the merger of the district with the City of Napa. The current governance arrangement appears to balance the interests of both County and City residents in a manner consistent with the District's expressed desire to remain neutral in matters of land use policy.
9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
  - a) The Napa Sanitation District provides an annual summary of past and projected revenues and expenditures for its reclaimed water service operations as part of its annual budget. The budget is adopted following publicly noticed board meeting in which members of the public are allowed to comment and offer suggestions with respect to expenditures relating to reclaimed water service. In addition to enhancing the accountability of appointed representatives, the budget process provides a clear directive towards staff with respect to prioritizing district resources.



- b) Management of the Napa Sanitation District appears to fall into two general categories, operations and finance. Management level resources appear primarily allocated to operational tasks. The District may wish to evaluate whether greater allocation of management resources to the financial components of the District is warranted.
  - c) The Napa Sanitation District is in the process of updating its master sewer facilities plan. This update provides an opportunity for the District to establish clear service objectives that should be considered by management as a tool for determining appropriate performance measures for staff.
10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
- a) The Napa Sanitation District's board meetings are conducted twice a month and are open to the public. Public inquiries involving its sewer service operations can be addressed to the Board at this time. Regularly scheduled board meetings provide an opportunity for constituents to ask questions of their appointed representatives, while helping to ensure that service information is being effectively communicated to the public.
  - b) The Napa Sanitation District makes reasonable efforts to maintain public dialogue with its ratepayers regarding its sewer service operations. These efforts facilitate local accountability and contribute towards public involvement in local governance.
  - c) The Napa Sanitation District's sewer service operations are maintained and managed by a responsive and professional staff. These characteristics enhance accountability and cultivate desirable working relationships with members of the public as well as other agencies.